19 April 1983

MEMORANDUM FOR: James N. Glerum
                   Director of Personnel

THROUGH: Deputy Director of Personnel

FROM: _____   STAT
                   Deputy Director for Policy,
                     Analysis and Evaluation/OP

SUBJECT: CIA Strategic Plan

    1. I have extracted pertinent comments and tasking from the CIA Strategic
Plan and this is Attachment 1.

    2. For ease, I would like to categorize the tasking into three:

        -- compensation,
        -- benefits; and,
        -- developing specific personnel management programs.

    3. Work on the first two tasks is underway. PMCD should have recommendations
on "high-tech" salary within the next 30 days which is the first step in looking
at alternative methods of compensating Agency employees. In responding to the
second tasking, the benefits packages (leave, insurance, retirement, other) of
nine companies doing business with CIA have been reviewed but, prior to com-
paring them with CIA benefits, I would like to review two more companies. This
review should give us a handle on the competitiveness of our benefits package
or indicate where we need to work on improvement. I plan for this to be
accomplished by mid-May. We have also had one 'brain-storming' session on other
non-monetary benefits which will be added to the corporate review. The results
of the effort on these two tasks I would propose to be reviewed by the PMAB
(expanded to include Comptroller representation as required by the near-term
action). If we relate back to Frederick Herzberg, we have the "dissatisfiers"
covered.

    4. It is Herzberg's "satisfiers" or the specific programs that I have
some problems with. Part of the listing (executive training, career mobility
and changing nature of the clerical) need OTE input. All appear to require
managerial commitment particularly such items as career mobility and management
of dual-career families. Some, like improving communications and employee
services, we can work on independently. Mechanisms are presently in place to

CLASSIFIED Attachment Attached

tackle many items: SPD assists in employee relocation, OTE has just had conferences on automation and executive development, OP is heavy on the OTE speaker circuit and we have met recently with two of the MAGs, and, PMCD is studying the clerical grade impact of automation. Naturally there is room for improvement in these areas and this improvement will evolve.

5. In order to get a handle on these specific programs, I would like to suggest a two-pronged approach:

-- within OP (including the other two DD's and their staffs), develop a listing of programs, policies, practices to be improved for PMAB review and prioritization; and,

-- staff each item via the personnel planning system (Attachment 2).

6. The staff and I are ready to discuss this at your convenience.

STAT

Distribution:
  Orig - Addsee
     1 - Subject (Pers Planning)
     1   ea. C/P&PS, C/HRPS, C/PMCD
     1 - Chrono
OP/DD/PA&E   (18 Apr 83)   STAT

-- Our success in a large part will depend on whether we are smart
managers in addition to being skilled intelligence officers. We must build
an esprit and employee consciousness as well as sustain the present momentum
to improve our capital base (facilities, communications, information
handling, security, and research and development). (C)   (Covering Memorandum
pg. 2)

2. Qualitative Improvements

We have discussed the need for fighting bureaucratic blandness, finding
alternatives to monetary rewards, and coping with the many other factors
involved in acquiring, motivating, and retaining qualified employees. Diverse
ideas were offered for initiatives which would increase the attractiveness of
careers in CIA. It became clear from the discussion that no single program or
management action would provide the solution; rather an across-the-board
innovative approach to personnel management should be pursued. The purpose of
this project is to develop an Agency-wide program of compensation and benefits
which will ensure the orderly recruitment, retention, and separation of
personnel.   (C)

Manager: Director of Personnel

Coordination: DDI, DDO, DDS&T, DDA, Comptroller

(Near-term actions)

10. Develop innovative personnel management policies, procedures, and programs:
Agency activities are, for the most part, people-intensive. The quality of our
work force, even more than its size, is central to the Agency's ability to
maintain and improve its capabilities. During the 1980s, the Agency--like
other parts of the Federal Service--will face severe problems recruiting,
motivating, and keeping highly qualified people. Competition from the private
sector (which will increase as the domestic economy improves) and other
government agencies for scarce skills, changing lifestyles and societal
attitudes toward career commitments, negative perceptions of Federal service,
government-wide reductions in rewards and benefits, the need to accommodate
two-income families, the increased hazards of service abroad, and many like
factors will challenge Agency managers. (C)

The first priority of Agency managers at all levels must be to recruit and
retain highly skilled, motivated, and experienced employees. We must develop
personnel management policies and programs that meet changing skill mix require-
ments, provide effective monetary and nonmonetary incentives, promote high
morale and discipline, and recognize the distinctive requirements and operating
environment of the CIA. Agency leaders should try to restore the sense of
"family" that characterized and motivated Agency employees in the past.   (C)

The Agency must develop specific programs to:

-- Improve communication on personnel policies.
-- Improve the opportunities for career mobility for the benefit of both the individual and the Agency.
-- Establish executive training programs.
-- Enhance nonmonetary rewards and benefits.
-- Improve employee services.
-- Plan for the changing character of clerical duties as the result of increased automation.
-- Plan for the more effective management of dual-career families.
-- Expand medical and physical fitness facilities.   (C)   (pg. 7)

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM   : James N. Glerum
                   Director of Personnel

SUBJECT   : Personnel Planning

REFERENCES   : A. Memorandum from D/Pers to DDCI, dtd 4 May 1981,
                       Same Subject (ER 81-1139)

                   B. Memorandum from DDCI to D/Pers, dtd 12 May 1981,
                       Same Subject (ER 81-1139/1)

                   C. Memorandum from D/Pers to DDCI, dtd 11 June 1981,
                       Same Subject (ER 81-11392/2)

                   D. Memorandum from DDCI to D/Pers, dtd 1 July 1981,
                       Same Subject (ER 81-1139/3)

     1. Action Requested: Paragraph 4 of this memorandum contains a
recommendation for your approval.

     2. Background: At the 15 April Executive Committee meeting you
decided that the Annual Personnel Plan and Annual Personnel Report have
outlived their utility and should be discontinued in their present form.
You also tasked my Office and the Executive Committee Staff with developing
alternative ways to accomplish the objective of effective personnel planning
and to assist the DDCI/DCI in "getting a handle on" the Agency's personnel
management system. At our request (References A and C) you provided additional
guidance in References B and D on your approach to personnel planning to meet
Agency personnel management goals.

     3. Staff Position:

          a. Attachment A is a proposal for a personnel planning system
developed by my Staff in conjunction with the Executive Committee Staff.
The planning system is also presented in schematic format (Attachment B),
and there is a devised example (Attachment C) illustrating how the system
would operate.

          b. The proposed personnel planning system was developed to
meet the following criteria:

          ° Define the Agency's broad personnel management goals.

to acquire and maintain the human resources it needs to perform its mission and to provide employees opportunities to realize their potential.

    ° Maximum managerial involvement both in issue identification and resolution.

    ° Assessment of issues in order to determine if the issue is valid for Agency-wide attention.

    ° Staff studies to flush out the best and most practical means to address issues.

    ° Accountability as to the priority of the issue and the achievement time frame for resolution.

    ° Providing the option to follow the whole planning cycle or to exclude parts of the cycle.

    ° Reviewing attainment levels to reconfirm, add or delete areas to be monitored.

    c. If you approve this personnel planning system, there are a number of issues that I believe need to be addressed. Primary among these issues are the following:

    ° Compensation. My Office has prepared a concept paper proposing a compensation system different from the General Schedule which I believe will increase employee morale and place the Agency in a better competitive position to attract and retain good people.

    ° Appraisal. There is a need to reexamine our performance appraisal system to make it more meaningful and useful.

    ° Mobility and Relocation. The Agency needs to constantly examine its policies in order to encourage employees to accept field assignments.

    4. Recommendation: It is recommended that you approve the personnel planning system as detailed in Attachment A.

STAT

               James N. Glerum

Attachments (3)

APPROVED

Deputy Director of Central Intelligence   Date

STAT

ADMINISTRATIVE - INTERNAL USE ONLY

2

Personnel Planning

I. Topic

Establish a personnel planning system that will enable the Agency to acquire and maintain the human resources it needs to perform its mission and to provide employees opportunities to realize their potential. The personnel planning system supports the attainment of the Agency's personnel management goals.

II. Agency's Personnel Management Goals

Within the broad objective of accomplishing its mission and providing job satisfaction for its employees, the specific goals of the Agency's personnel management system are:

1. To recruit within the full meaning of equal employment opportunity policies the best qualified individuals who have demonstrated ability or potential for development to serve present and future personnel requirements.

2. To maintain standards of conduct which expect employees to work to their full ability, to maintain, a spirit of cooperativeness in their work, to be willing to serve the Agency's needs wherever and whenever required, and to adhere to exemplary standards of behavior in their private and official lives.

3. To provide employees with:

(a) Opportunities for making the best use of their training and experience.

(b) Avenues for employment and advancement on the basis of ability and performance.

(c) Equal pay for substantially equal work within prevailing pay systems.

(d) An environment in which individual employees receive opportunities and job satisfaction commensurate with their individual skills, abilities and contributions.

4. To operate an Agency-wide evaluation program for determining those employees with the most and least potential and to identify those employees who fail to meet current work requirements or suitability standards and to separate equitably those whose continued employment is not in the national interest.

5. To foster close and open communications between Agency officials and employees.

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Concept

    A. Personnel planning system designed to meet the Agency's personnel management goals which involves five distinct phases. These are:

        o issue identification;
        o plan to address;
        o development of specific targets or goals;
        o measuring success; and
        o review.

    B. Issue identification is the determination of the basic personnel problems and policy questions that must be faced. This can be accomplished in the following manner.

    1. The means of determining the issues can be developed from the following sources:

        o Perceived needs and problems as identified by senior managers, the Interdirectorate Planning Group, employee groups, oversight committee questions, etc. These needs or problems can be analyzed by the Office of Personnel (OP) in consultation with the Office of Policy and Planning (OPP) to determine validity for Agency-wide attention; or, if the impact is restricted to a smaller segment of the Agency and should be addressed by component managers only; or, if there is no issue involved.

        o Conclusions from OP program evaluations that assess Agency-wide programs identifying issues needing attention. Examples are the PAR survey which identifies the need for additional appraisal training on the part of supervisors and the Precepts examination which may conclude that ranking the low three percent of employees is no longer required.

        o Data analysis by OP from the Personnel Data Base can provide indicators of issues needing attention. Areas that can be monitored are occupation mix, personnel flow, performance appraisal ratings, the rate of special recognition afforded superior performers, etc.

        o Analysis by OP of personnel needs derived from the Program Call can provide indicators of issues in the occupation mix and recruitment areas. OP can provide the basic information from which components can indicate their personnel needs on a three-year basis similar to the manner in which they indicate their financial needs. This will afford OP the opportunity to give more effort to recruitment planning.

        o Discussions by OP with selected managers, personnel officers, and OPP to ascertain the importance of and need to examine selected issues.

        o Questionnaires can be prepared by OP that sample the Agency population in order to ascertain what a selected group of employees believes are the major personnel issues facing the Agency. Care would have to be exerted in developing the questionnaire and in selecting the sample in order to avoid false conclusions or expectations.

o The Office of Equal Employment Opportunity (OEEO)-developed Affirmative Action Plan can be analyzed by OP to determine issues that require senior management attention.

2. The roles and responsibilities in issue identification would be as follows.

o Deputy Directors, other senior managers, the Interdirectorate Planning Group and OP as issue identifiers.

o OP as the administration point to receive issues, collect data from sources such as the Comptroller and the OEEO, perform data analysis and assess the issue prior to an Executive Committee (EXCOM) meeting on the subject.

o Personnel Management Advisory Board (PMAB) as an advisory body to the Director of Personnel on issues.

o EXCOM as an advisory body to the DDCI and to prioritize issues in order of importance and interest.

o DDCI as the approving official for issue studies.

C. Developing the plan to address the issues can be accomplished by OP staff studies. These studies would combine quantitative and qualitative analysis and would present options or recommendations to address the issue. The roles and responsibilities in developing the policy, program or plan would be as follows:

o OP as the developer of the staff studies with input from other sources (such as OF, OPP, etc) as required.

o PMAB as an advisory body to the Director of Personnel on the subject prior to the staff study being submitted for EXCOM/DDCI consideration.

o OPP, as staff support to EXCOM, DCI and the DDCI on staff studies and plans submitted for consideration.

o EXCOM as an advisory body to the DDCI on the staff study options or recommendations.

o The DDCI as the approving authority.

D. In those instances where the development of specific targets or goals are indicated, these can be accomplished by OP's modeling and projection techniques. Some issues may not lend themselves to the development of specific targets but may be more appropriately monitored by such means as program evaluations, surveys or other assessment mechanisms. In all instances, specific follow-up actions would be proposed in the issue staff study. The roles and responsibilities in this phase would be between the Director of Personnel and the Deputy Directors and would be by agreement to the target or follow-up action proposed.

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E. Measuring success would be by an evaluation of the progress
made in addressing the issue during an agreed time frame. Normally, the
time for measuring should be no less than one year. For those areas where
targets have been established, OP can provide periodic statistical reporting
on attainment level. In other areas, mechanisms such as questionnaires,
analysis of why success was either achieved or not achieved will be of key
importance. The roles and responsibilities in measuring attainment success
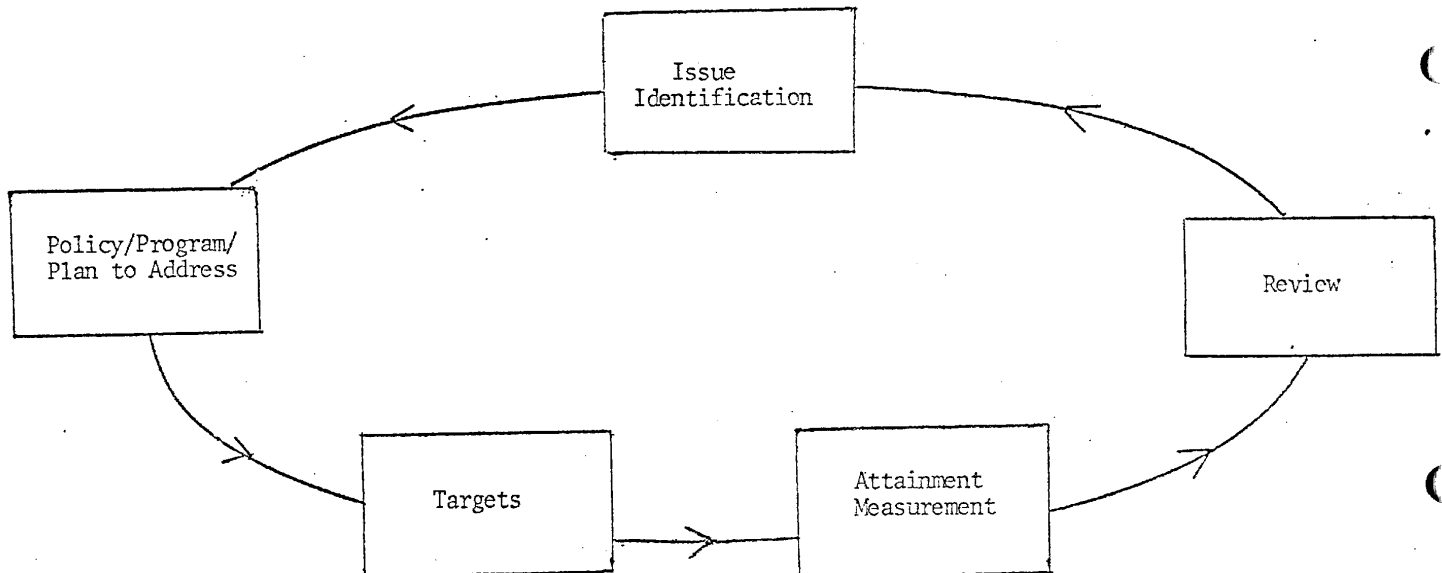would be as follows.

    o OP would provide the tools for measuring success either through
statistical reporting or through the conclusions of survey mechanisms.

    o The Deputy Directors concerned being more familiar with the
factors influencing success would provide the analysis as to why success
was either achieved or not achieved.

F. The review by the Deputy Directors and the Director of Personnel
would be in the form of recommendations regarding either continued detailed
monitoring of the issue involved, changes to the policy, program or plan
decided upon earlier so as to better guarantee success, or cease monitoring
as the changes decided upon earlier resulted in successful attainment of the
goal. The roles and responsibilities in this review phase would be as
follows.

    o OP, OPP and the Deputy Directors would provide the recommendations.
    o EXCOM would advise the DDCI on the recommendations.
    o The DDCI would approve the next course of action.

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Personnel Planning Phases

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                        ┌─────────────────┐
                        │      Issue      │
                        │ Identification  │
                        └─────────────────┘

┌──────────────────┐                              ┌─────────────────┐
│ Policy/Program/  │                              │                 │
│ Plan to Address  │                              │     Review      │
└──────────────────┘                              └─────────────────┘

          ┌─────────────┐         ┌─────────────────┐
          │   Targets   │         │   Attainment    │
          │             │         │   Measurement   │
          └─────────────┘         └─────────────────┘
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Personnel Planning

Phases	Roles	Means	Time Frame
Issue Identification	DDs and OP - Identifier	Perceived Needs/Problems Senior Managers, etc.	Ongoing
	OP - Admin to collect, analyze and assess	Program Evaluations - OP Conclusions	Ongoing
		Data Analysis - OP Providing Indicators of Problems	Ongoing
	PMAB - Advisory to D/Pers EXCOM - Advisory and Prioritizing Body	Program Call - OP Analysis of Personnel Needs Discussions - OP with Managers/Personnelists	Three years
	DDCI - Approving Authority	Questionnaires - Agency Sample	Ongoing
Plan to Address	OP - Developer PMAB - Advisory EXCOM - Advisory and Prioritizing Body DDCI - Approving Authority	Staff Studies Options Quantitative Qualitative	Action agenda on a prioritized basis
Develop Specific Targets	OP and DDs	Modeling - Projections	Action agenda on a prioritized basis
Measure Success	OP - Measurement Tools DDs - Analysis	OP - Statistical Reporting	Minimum - One year after target development
Review	DDs - Recommendation OP - Recommendation EXCOM - Advisory DDCI - Approval	D/Pers and Career Service Heads Recommendations re: Reconfirmation Additions Deletions	Action agenda

Example (devised)

A. A perception from senior management is that the resignation rate
for certain categories of employees has risen. OP from statistical analysis
was able to indicate that the resignation rate of personnel in certain
occupations has risen during the last two calendar years. EXCOM review of
the issues resulted in the DDCI deciding that the resignation rate rise was
significant enough to warrant investigation.

B. OP's staff study concluded from data analysis, exit interview
reports, job market surveys and research into methods of increasing retention
rates that certain means were available to alleviate the problem. These
means were discussed at both a meeting of the PMAB and the EXCOM. After
consideration, the DDCI approved an action plan and established the goal of
reducing the resignation rate during the next 12 months.

C. Modeling and projections indicate that a reasonable target would
be to reduce resignations by five percent during the coming calendar year.
Periodic reports were provided to component managers and the DDCI.

D. Statistical reporting at the end of one year indicates that the
resignation rate was reduced by nearly six percent. Component analysis indicated
that all actions taken contributed equally to the increased retention rate.

E. The review recommended that retention rates in these job categories
no longer be monitored as closely as in the past year but that an annual
statistical summary of retention rates be provided to component managers
employing individuals in these job categories. Any deviations from the norm
would indicate the need for additional study. The DDCI approved this recom-
mendation.

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